

POCAHONTAS COUNTY COMMISSION

JOEL S. CALLISON, PRESIDENT
JOHN R. SIMMONS, COMMISSIONER

RETA JACKSON GRIFFITH, COMMISSIONER
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August 17, 1999

Mr. Fred Cutlip, Director
West Virginia Development Office
Building 6, Room B-553
State Capitol Complex
Charleston, WV 25305

re: Pocahontas County Commission East Fork Industrial Park Environmental Compliance
and Development ARC Grant Application Fund Commitment

Dear Mr. Cutlip,

This letter is in reference to a phone conversation between Ms. Jeanna Bailes and Mr. Jay Tibbs. As you are aware, on the 15th day of July, 1995, the County Commission of Pocahontas County, West Virginia acquired the former Howes Leather Tannery property from Howes Leather Company, Inc., said property is situate in Frank, Pocahontas County, West Virginia. Per an agreement between the County Commission, Pocahontas Development Authority, and Howes Leather Company, Inc., the County Commission and Pocahontas Development Authority would be responsible for the environmental clean-up of said property, while Howes Leather Company, Inc. would be responsible for monitoring the groundwater on said site.

Since that time, the County Commission has worked both independently and with members of the Pocahontas Development Authority in an effort to comply with the requirements outlined by the West Virginia Division of Environmental Protection. The County Commission received \$250,000.00 from Howes Leather Company, Inc. as consideration for accepting this property, said monies would be used to assist with the clean-up of this site. These monies were expended for a portion of the clean-up (i.e. contractor salaries, demolition of buildings on site, excavation work, etc.).

In April of 1997, the County Commission secured the services of Dwayne Hannah of Hannah & Associates, Inc. of Elkins, West Virginia. Mr. Hannah served as engineer for the purposes of preparing a remediation plan for the industrial sludge remaining on the site. This sludge is the only pending requirement from the Division of Environmental Protection's

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compliance order.

In February of 1997, the County Commission received \$25,000.00 from your office. These monies were expended for clean-up of this site (i.e. employee salaries, equipment purchases, etc.). This grant was completely expended and closed out, with all documentation being filed with your office.

In May of 1997, the County Commission auctioned approximately 100+ acres of timberland which was deducted from the original acreage received from Howes Leather Company, Inc. This property sold for \$127,000.00, with these monies being expended towards the clean-up of the tannery site (i.e. contractor salaries, employee salaries, engineering work, etc.).

In October of 1997, the County Commission released Hannah & Associates, Inc. from their obligations relative to the engineering phase of the sludge remediation.

In November of 1997, the County Commission made application to your office for an Industrial Park Assistance Grant for elevation work to be completed on the East Fork site. The amount of the grant was \$50,000.00.

In July of 1998, the County Commission, with assistance from Region IV Planning & Development Council, advertised for engineering firms to prepare and implement a remediation plan for the industrial sludge located on the East Fork site. The County Commission selected Denex Corporation of Ripley, West Virginia and entered into a contract for the preparation of an acceptable remediation plan. The County Commission authorized Denex Corporation to prepare a remediation plan, which was submitted to Mr. Mike Zeto, Director of the West Virginia Division of Environmental Protection, for his approval.

On the 16th day of September, 1998, the County Commission made application to your office for a Tipping Fee Project in the amount of \$45,000.00. These monies were to be used for the repair and upkeep of the existing wastewater treatment facility situate on the East Fork property.

On the 19th day of November, 1998, the County Commission made a written request to your office for a change of project scope on the \$50,000.00 Industrial Park Assistance Grant. The County Commission asked that these monies be used to pay for the preliminary engineering and reconnaissance work and plan development relative to the remediation of the industrial sludge. The estimated cost of this project was \$24,000.00. The remainder of this \$50,000.00 would be used to assist in funding the implementation of the plan, preparation of bid documents, etc.

On the 10th day of December, 1998, the County Commission made a written request to your office for a change of project scope on the \$45,000.00 Tipping Fee Project application. The Commission requested that \$24,000.00 of these monies be used in the same manner as the change of scope relative to the Industrial Park Assistance Grant. The remaining \$21,000.00

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would be used towards the installation of a lagoon liner relative to the sludge remediation plan submitted by Denex.

In February of 1999, Deputy County Clerk/Commission Assistant Jay Tibbs and Commissioner Reta Jackson Griffith met with you, Ms. Debbie Legg, Mr. Fred Cutlip, and Mr. Mike Zeto regarding the Commission's requests for change of project scope. During that meeting, Mr. Cutlip allowed the change of project scope for the \$50,000.00 Industrial Park Assistance Grant; in order to pay for the engineering work relative to the clean-up. However, Mr. Cutlip took no action on the change of scope request for the Tipping Fee application.

To date, the County Commission has expended \$26,425.00 of the Industrial Park Assistance grant. These monies were expended for the preparation of a site remediation plan, which was approved by the Division of Environmental Protection, tests relative to the preparation of the plan, and contract fees relative to a test approved by the Division of Environmental Protection dealing with an alternative method of sludge remediation.

The original plan submitted by Denex to the Division of Environmental Protection contained an estimated clean-up cost of \$1,109,467.00. Since approval of this plan, the County Commission has been working to find a way of reducing the total clean-up cost. Commissioner John Simmons met with the Division of Environmental Protection and received permission to perform tests on eight truck loads of sludge. This test dealt with air drying the sludge, instead of using lime shavings as outlined in the original Denex plan. (A copy of this letter is appended to this letter as Exhibit A). The County Commission authorized Denex to alter their existing plan to incorporate the air drying method and adjust the costs accordingly.

On the 9th day of August, 1999, the County Commission received a draft of the revised Denex plan. Under this plan, the revised cost of the clean-up is \$634,910.00. (A copy of this draft is appended to this letter as Exhibit B). County Commission President Joel S. Callison authorized Denex Corporation to forward this plan to Mr. Mike Zeto at the West Virginia Division of Environmental Protection for his approval.

The Pocahontas County Commission has been in contact with Mr. W.D. Smith, Director of Region IV Planning & Development Council, Summersville, West Virginia, concerning the use of A.R.C. grant funds to clean and develop this property. Mr. Smith contacted the County Commission and informed them that the A.R.C. grant application requires a 20% local match of funds. Using the revised figures from Denex as the basis for the application, the County Commission's share is \$126,982.00.

The Pocahontas County Commission requests that your office allow the remaining balance of the Industrial Park Assistance Grant, which is \$23,575.00, to be used as a portion of the County Commission's local share for purposes of receiving the A.R.C. funds.

The Pocahontas County Commission also requests that your office approve the scope change for the Tipping Fee application and allow the entire \$45,000.00 to be used towards meeting the County Commission's local share for purposes of receiving the A.R.C. funds. I am

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enclosing a copy of the letter from the County Commission to Mr. W.D. Smith of Region IV Planning and Development Council stating the Commission's position on the local share. (This letter is appended to this letter as Exhibit C).

Once this site is remediated, the County Commission will be able to make a viable industrial park which will serve the needs and economy of northern Pocahontas County. The County Commission is making efforts to meet their obligation with the Division of Environmental Protection and appreciates any assistance your office can provide.

Should you have any questions or need further information, please do not hesitate to contact me at (304) 799-6063.

Sincerely,

Joel S. Callison
President

JSC/jet

attachment